



Health Services
LOS ANGELES COUNTY

November 21, 2006

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AGREEMENT AMENDMENTS FOR PROPOSITION A DIETARY
SERVICES AT FOUR FACILITIES AND A NON-PROPOSITION A
AMENDMENT FOR PUBLIC CAFETERIA SERVICES AT
HARBOR-UCLA MEDICAL CENTER**

(2nd, 4th and 5th Districts) (3 Votes for Dietary Services)
(4 votes for Public Cafeteria Services)

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

IT IS RECOMMENDED THAT YOUR BOARD:

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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1. Approve and instruct the Mayor to sign the attached Proposition A (Prop A) Amendment No. 6 to Agreement No. 70295 (Exhibit I) with Morrison Management Specialists, Inc., dba Morrison Health Care, Inc. (Morrison) for the continued provision of dietary services at Harbor-UCLA Medical Center (H-UCLA) on a month-to-month basis, effective December 1, 2006 through March 31, 2007, at an estimated monthly cost of \$362,861.50, for a total cost of \$1,451,446. (3 Votes)
2. Approve and instruct the Mayor to sign the attached Prop A Amendment No. 6 to Agreement No. 70294 (Exhibit II) with Morrison for the continued provision of dietary services at Martin Luther King, Jr./Drew Medical Center (King/Drew) on a month-to-month basis, effective December 1, 2006 through March 31, 2007, at an estimated monthly cost of \$346,915.25, for a total cost of \$1,387,661. (3 Votes)
3. Approve and instruct the Mayor to sign the attached Prop A Amendment No. 7 to Agreement No. 70694 (Exhibit III) with Morrison for the continued provision of dietary and public cafeteria services at Olive View/UCLA Medical Center (OV-UCLA) on a month-to-month basis, effective December 1, 2006 through March 31, 2007, at an estimated monthly cost of \$294,842.25, for a total cost of \$1,179,369. (4 Votes)
4. Approve and instruct the Mayor to sign the attached Prop A Amendment No. 7 to Agreement No. 68444 (Exhibit IV) with Sodexho, LLC (Sodexho) for the continued provision of dietary and public

cafeteria services at Rancho Los Amigos National Rehabilitation Center (Rancho) on a month-to month basis, effective December 1, 2006 through March 31, 2007, at an estimated monthly cost of \$336,257.50, for a total cost of \$1,345,030. (4 Votes)

5. Approve and instruct the Director of Health Services to sign the attached Non-Proposition A Amendment No. 7 to Agreement H-211094 (Exhibit V) with Morrison, for the continued provision of public cafeteria services at H-UCLA, on a month-to-month basis effective December 1, 2006 through March 31, 2007. (4 Votes)

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

Approval of the recommended actions will allow for the continued provision of dietary and concession cafeteria services at H-UCLA, King/Drew (dietary only), OV-UCLA, and Rancho. The extended terms will allow the Department of Health Services (Department) the time necessary to assess the system-wide impact of the restructuring plans related to the new MetroCare plan on the proposed dietary and cafeteria contracts and complete the complex contract negotiation and development process.

The Department has been contracting out Dietary Services under provisions of County Code 2.121.250 et seq., "Contracting with Private Businesses" (Proposition A), since October 1984. Dietary services are an integral part of the legitimate activities which must be provided by a hospital to perform its health care functions.

Concession cafeteria services are contracted under the authority of Government Code Section 25536.

FISCAL IMPACT/FINANCING:

The maximum County obligation for the extended terms effective December 1, 2006 through March 31, 2007 is as follows: \$1,451,446 for H-UCLA, \$1,387,661 at King/Drew, \$1,179,369 at OV-UCLA and \$1,345,030 at Rancho for a total estimated cost from December 1, 2006 through March 31, 2007 of \$5,363,506.

Funding is included in the Fiscal Year 2006-07 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

H-UCLA AND KING/DREW

On September 3, 1996, the Board approved Agreements with Morrison to provide dietary services at King/Drew and H-UCLA effective September 1, 1996 through February 29, 2004. Subsequently, the Board approved additional Amendments to extend the term. Most recently, on May 2, 2006, the Board approved an extension through November 30, 2006.

OV-UCLA

On May 13, 1997, the Board approved an Agreement with Morrison to provide dietary and public cafeteria services at OV-UCLA, effective June 1, 1997 through November 30, 2002. Subsequently, the Board approved additional Amendments to extend the term. Most recently, on May 2, 2006, the Board approved an extension through November 30, 2006.

RANCHO

On July 18, 1995, the Board approved an Agreement with Sodexho to provide dietary and public cafeteria services at Rancho, effective August 1, 1995 through January 31, 2003. Subsequently, the Board approved additional Amendments to extend the term. Most recently, on May 2, 2006, the Board approved an extension through November 30, 2006.

Concession Cafeteria Services at H-UCLA

On May 9, 2000, the Board approved a revenue concession Agreement with Morrison Management Specialists, Inc., for the provision of public cafeteria concession services at H-UCLA through February 29, 2004. Subsequently, the Board approved additional Amendments to extend the term. Most recently, on May 2, 2006, the Board approved an extension through November 30, 2006.

Contract monitoring functions are performed by administrative staff at each facility.

County Counsel has approved these Amendments as to form.

CONTRACTING PROCESS:

The Department released a Request for Proposals (RFP) for dietary services and public cafeteria concession services on February 23, 2005 for H-UCLA, King/Drew (dietary only), OV-UCLA and Rancho. The extended terms will allow the Department the time necessary to assess the impact of the system restructuring plans on the proposed dietary and cafeteria contracts and complete the complex contract negotiation and development process.

The proposers submitting bids in response to this RFP were Morrison, Sodexho, and Integrated Support Solutions, Inc. (ISSI). ISSI submitted proposals for OV-UCLA and Rancho. Morrison and Sodexho submitted bids for all four facilities. Morrison received the highest overall score for the four facilities.

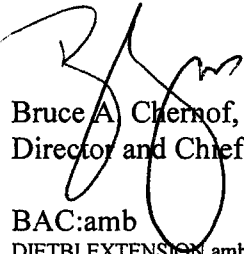
IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval will allow for the continued provision of dietary and concession cafeteria services at the facilities.

The Honorable Board of Supervisors
November 21, 2006
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. Chernof', is written over the printed name and title.

Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:amb
DIETBLEXTENSION.amb.wpd

Attachments (6)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT

1. **TYPE OF SERVICES:**

Dietary and Concession Cafeteria Services at H-UCLA, King/Drew (dietary only), OV-UCLA and Rancho.

2. **AGENCY ADDRESS AND CONTACT PERSON:**

A. Morrison Management Specialists, Inc. dba Morrison Health Care, Inc. 1727 Axenty Way Redondo Beach, CA 90278 Attention: Edward M. Clark Telephone: (310) 798-4017	B. Sodexho Operations, LLC 3033 5 th Avenue, Suite 335 San Diego, CA 92103 Attention: Calvin Johnson Telephone: (619) 296-6433
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3. **TERM:**

The term of the Agreements is being extended on a month-to-month basis effective December 1, 2006 through March 31, 2007.

4. **FINANCIAL INFORMATION:**

The maximum County obligation for the extended terms is as follows: \$1,451,446 for H-UCLA, \$1,387,661 at King/Drew, \$1,179,369 at OV-UCLA and \$1,345,030 at Rancho for a total estimated cost from December 1, 2006 through March 31, 2007 of \$5,363,506

Funding is included in the Fiscal Year 2006-07 Final Budget and will be requested in future fiscal years.

5. **PERSON ACCOUNTABLE FOR PROGRAM MONITORING:**

Administration at each facility.

6. **GEOGRAPHIC AREA SERVED:**

2nd, 4th and 5th Districts.

7. **APPROVALS:**

Chief Networks Deputy:	John R. Cochran, III
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (approval as to form):	Elizabeth J. Friedman, Senior Deputy County Counsel

FACT SHEET

SUBJECT: AGREEMENT AMENDMENTS FOR PROPOSITION A DIETARY SERVICES AT FOUR FACILITIES AND A NON-PROPOSITION A PUBLIC CAFETERIA CONCESSION AGREEMENT AT HARBOR-UCLA MEDICAL CENTER

CONTACT PERSON:

John R. Cochran, III
(213) 240-7926

SUBJECT:

Approval of: 1) three amendments for the provision of dietary and public cafeteria services at Harbor-UCLA Medical Center (H-UCLA), Olive View/UCLA Medical Center (OV-UCLA), and Rancho Los Amigos National Rehabilitation Center (Rancho), 2) one amendment for dietary services at Martin Luther King, Jr./Drew Medical Center (King/Drew) and 3) one amendment for public cafeteria concession services at H-UCLA.

REQUESTED ACTIONS:

Approve and instruct the Mayor to: 1) sign four amendments for dietary and concession cafeteria services with Morrison Management Specialists, Inc., dba Morrison Health Care, Inc., (Morrison) at H-UCLA, King/Drew (dietary only) OV-UCLA; and 2) sign one agreement for dietary services with Sodexo at Rancho effective on a month-to-month basis from December 1, 2006 through March 31, 2007.

CONTRACT AMOUNT:

The cost of these Amendments per month are as follows: \$362,861.50 for H-UCLA, \$346,915.25 at King/Drew, \$294,842.25 at OV-UCLA and \$336,257.50 at Rancho for a total estimated cost from December 1, 2006 through March 31, 2007 of \$5,363,506.

Funding is included in the Fiscal Year 2006-07 Final Budget and will be requested in future fiscal years.

TERMINATION PROVISIONS:

Agreements may be terminated by the County, with or without cause, upon 30 days notice.

TERM OF CONTRACT:

The term of these Amendments is from December 1, 2006 through March 31, 2007.

AUTOMATIC RENEWALS:

No.

FACT SHEET (Cont'd)

FIRST BOARD APPROVED CONTRACT:

H-UCLA and King/Drew - September 3, 1996

OV-UCLA - May 31, 1997

Rancho - July 18, 1995

RETROACTIVE AGREEMENT:

No.

COMPETITIVE REQUEST FOR PROPOSALS (RFP) PROCESS:

Yes

SOLE SOURCE JUSTIFICATION:

No.

SMALL BUSINESS WEB SITE:

N/A

DIETBLEXTENSION.amb.wpd